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to be a contribution to the knowledge of the expert. Its purpose is clearly to help the average citizen to an intelligent understanding of the problem of banking reform; and, for the accomplishment of this end, is admirably executed. The language is simple and non-technical; the reasoning is remarkably clear. At the same time the treatment is honest and searching and thoroughly scientific. The common errors of popular works, superficiality and a false simplicity which dodges the real difficulties, have been avoided.

The book will hardly escape the charge of being a piece of special pleading. The discussion is uniformly favorable to the plan of the National Monetary Commission. Alleged defects are named, but only to show their fallacy. That the Monetary Commission's plan is perfect would hardly be claimed by any student of banking, and a strictly impartial work would have to consider certain defects. The attitude of the present book, though not strictly impartial, is nevertheless defensible.

This book is the best discussion of the present banking situation that has appeared in a single volume. Its reading will put any thoughtful reader in a position to form an intelligent opinion on banking questions. It is to be hoped that it will have a wide audience and so be able to contribute effectively to the cause of banking reform.

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Commercial Paper: A Text Book for Merchants, Bankers and Investors. By ROGER W. BABSON and RALPH MAY. (Wellesley Hills, Mass.: Babson's Statistical Organization. 1912. Pp. 253. \$2.00.)

The present discussion of the adaptability of the monetary system of the United States to business needs has led the authors of this book to make a study of "the condition, the tendencies and the importance" of commercial paper in our system. Though intended primarily for bank officers and business men, the book is useful for students also.

Of the seven chapters of the book, the first three deal with commercial paper proper; the fourth with the analysis of a financial statement and report; and the last three primarily with banking and bank policy. Chapters two and three, which deal respectively with the form of commercial paper and the selection of commercial

paper, cover about 80 pages of the book and are the most distinctive and useful part of it. From data furnished by the report of the National Monetary Commission, a brief comparative study of the forms of commercial paper and practices in its use in different countries is made and the defects of our own system are pointed out. Rather minute rules are laid down for the guidance of purchasers of commercial paper, and for the protection of investments of this character.

The last part of the book hardly fulfills the expectation raised by the first part. The chapter on banking, comprising about a fifth of the book, is a mere disjointed series of fragmentary sketches of the development of banking and banking institutions at different times and places and adds practically nothing to the value of the work as a study of commercial paper. In the opinion of the authors the first need of reform in our financial system is the creation of a central discount market for commercial paper. Banks often find themselves under the necessity of reselling commercial paper in order to secure the safest and most economical management of their resources. After reviewing the workings of foreign discount systems with approval the authors believe that a satisfactory discount market in this country may best be attained through the creation of a central banking reserve by some organization which shall bind the banks together in their reserve management. As a means of attaining this end they endorse the Aldrich Central Reserve Association scheme of banking reform, but without much consideration of the many vital questions concerning bank policy and management which the introduction of this plan will raise. The last chapter is simply an attempt to apply the method of the Babson Statistical Service in the forecasting of discount rates.

The book is well gotten up and attractive, but lacks an index, which is a serious defect in a practical handbook. The topical table of contents at the end of the book does not take the place of an alphabetical index.

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An Introduction to the Study of Prices. By WALTER T. LAYTON.
(New York: The Macmillan Company. 1912. Pp. xi, 155.
\$.90.)

This little book is written around a "Chart of Average Whole-